

manner as the Director may prescribe. Those instructions shall provide for one of the following alternatives:

(1) The facility may be sold and the grantee or transferee shall pay to the United States an amount computed by multiplying the federal share of the facility times the proceeds from the sale (after deducting the actual and reasonable selling and fix-up expenses, if any, from the sales proceeds). The sales procedures must provide for competition to the extent practicable, and be designed to provide the highest possible return;

(2) The grantee may retain title and shall pay to the United States an amount computed by multiplying the current fair market value of the facility by the federal share of the facility; or

(3) The grantee shall transfer the title to either the United States or to an eligible non-federal party approved by the Director. The grantee shall be entitled to be paid an amount computed by multiplying the current fair market value of the facility by the nonfederal share of the facility.

(b) The grantee or transferor of a facility which is sold or transferred, or the owner of a facility the use of which has changed, as described in paragraph (a) of this section, shall report that action in writing to the Director not later than 10 days from the date on which the sale, transfer, or change occurs, in the form and manner as the Director may prescribe.

(c) In lieu of disposition of a facility pursuant to the provisions of paragraph (a) of this section, the Director may, for good cause, supported by assurances provided by the grantee or transferee, approve one of the following alternatives:

(1) Transfer of the remaining usage obligation to facilities of substantially comparable or greater value or utility, to carry out the biomedical research or training purpose for which the grant was awarded. In this event, the remaining usage obligation shall be released from the original facility constructed with grant funds and transferred to the new facility, and the grantee shall remain subject to all other requirements imposed under this part with respect to the new facility; or

(2) Use the facility for as long as needed, in order of priority, for one of the following purposes:

(i) For other health related activities consistent with the purposes of one or more of the activities of the awarding institute as authorized under title IV or other provisions of the Act;

(ii) To provide training and instruction in the health fields for health professionals or health related information programs for the public; or

(iii) Other health related purposes consistent with one or more of the purposes authorized under the Act.

(d) The right of recovery of the United States set forth in paragraph (a) of this section shall not, prior to judgment, constitute a lien on any facility supported in whole or in part by a federal grant, including a construction grant under this part.

(e) Any amount required to be paid to the United States under this section will be paid to the awarding institute for disposition as required by law.

(Approved by the Office of Management and Budget under Control Number 0925-0424; expires November 30, 2001)

§ 52b.10 What are the terms and conditions of awards?

In addition to any other requirement imposed by law or determined by the Director to be reasonably necessary to fulfill the purposes of the grant, each construction grant shall be subject to the terms and conditions and the grantee assurances required by this section, supported by such documentation as the Director may reasonably require. The Director may, by general policy or for good cause shown by an applicant, approve exceptions to these terms and conditions or assurances where the Director finds that the exceptions are consistent with the applicable provisions of the Act and the purposes of the particular program:

(a) *Title.* The applicant must have a fee simple or other estate or interest in the site, including necessary easements and rights-of-way, sufficient to assure for the estimated useful life of the facility, as determined by the Director, undisturbed use and possession for the purpose of the construction and operation of the facility.

(b) *Plans and specifications.* Approval by the Director of the final working drawings, specifications, and cost estimates must be obtained before the project is advertised or placed on the market for bidding. The approval must include a determination by the Director that the final plans and specifications conform to the minimum standards of construction and equipment as set forth in § 52b.12.

(c) *Relocation assistance.* An applicant with an approved project which involves the displacement of persons or businesses shall comply with the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601 *et seq.*) and the applicable regulations issued under that Act (45 CFR part 15; 49 CFR part 24).

(d) *Approval of changes in estimated cost.* Unless approved by the Director, the applicant shall not enter into any construction contracts for the project or a part of the project, the cost of which exceeds the estimated cost approved in the terms of an award for that portion of the work covered by the plans and specifications. Exceptions shall be requested in the form and manner as the Director may prescribe.

(e) *Completion responsibility.* The applicant must construct the project, or cause it to be constructed, to final completion in accordance with the grant application, the terms and conditions of the award, and the approved plans and specifications.

(f) *Construction schedule inspection.* Prior to the start of construction, the grantee shall submit an approved copy of the construction schedule (critical path method) to the Director in the form and manner as the Director may prescribe.

(g) *Construction management.* The applicant must provide and maintain competent and adequate construction management services for inspection at the construction site to ensure that the completed work conforms with the approved plans and specifications. Construction management services shall include daily construction logs and monthly status reports which shall be maintained at the job site and shall be submitted to the Director at the times

and in the form and manner as the Director may prescribe.

(h) *Nonfederal share.* Sufficient funds must be available to meet the non-federal share of the costs of constructing the facility.

(i) *Funds for operation.* Sufficient funds must be available when construction is completed for effective use of the facility for the purposes for which it is being constructed.

(j) *Inspection.* The Director and the Director's representatives shall have access at all reasonable times to all work areas and documents during any stage of construction and the contractor shall provide proper facilities for this access and inspection.

(k) *Accessibility to handicapped persons.* The facility must be designed to comply with the Uniform Federal Accessibility Standards (41 CFR part 101–19, subpart 101–19.6, Appendix A), as modified by other standards prescribed by the Director or the Administrator of General Services. The applicant shall conduct inspections to ensure compliance with these specifications by the contractor.

(l) *Notice of Federal Interest.* The grantee shall record a Notice of Federal Interest in the appropriate official land records of the jurisdiction in which the property is located.

(m) *Title insurance.* The grantee shall purchase a title insurance policy unless a legal opinion has been provided which certifies that the grantee institution has fee simple title to the site free and clear of all liens, easements, rights-of-way, and any other adverse interests which would encumber the project. The Director may waive this requirement upon a request from the grantee adequately documenting self-insurance against the risks involved and containing such other information as the Director may prescribe.

(n) *Physical destruction insurance.* At the time construction is completed or at the time of beneficial occupancy, whichever comes first, the grantee shall purchase an insurance policy which insures the facility for the full appraised value of the property using state certified appraisers. The insurance policy must protect the property from total and partial physical destruction. The insurance policy must

be maintained throughout the period of federal interest. The Director may waive this requirement upon a written request from the grantee adequately documenting self-insurance against the risks involved and containing such other information as the Director may prescribe.

(Approved by the Office of Management and Budget under Control Number 0925-0424; expires November 30, 2001)

§ 52b.11 What are the requirements for acquisition and modernization of existing facilities?

Grant awards for the acquisition and modernization of existing facilities are permitted if authorized by the statutes authorizing the construction grant program and shall be subject to the requirements of this section.

(a) *Minimum standards of construction and equipment.* A determination by the Director that the facility conforms (or upon completion of any necessary construction will conform) to the minimum standards of construction and equipment as set forth in § 52b.12 shall be obtained before entering into a final or unconditional contract for the acquisition and/or modernization of facilities. Where the Director finds that exceptions to or modifications of these minimum standards would be consistent with the purposes of the applicable section of the Act under which the acquisition or modernization is supported, the Director may authorize the exceptions or modifications.

(b) *Estimated cost of acquisition and remodeling: suitability of facility.* Each application for a project involving the acquisition of existing facilities shall include in the detailed estimates of the costs of the project, the cost of acquiring the facilities, and any cost of remodeling, renovating or altering the facilities to serve the purposes for which they are acquired. The application shall demonstrate to the satisfaction of the Director that the architectural, mechanical, electrical, plumbing, structural, and other pertinent features of the facility, as modified by any proposed expansion, remodeling, renovation, or alteration, will be suitable for the purposes of the applicable sections of the Act.

(c) *Bona fide sale.* Grant awards for the acquisition of existing facilities shall be subject to the condition that the acquisition constitutes a bona fide sale involving an actual cost to the applicant and will result in additional or improved facilities for purposes of the applicable provisions of the Act.

(d) *Facility previously funded by a federal grant.* No grant for the acquisition or modernization of a facility which has previously been funded in whole or in part by a federal grant for construction, acquisition, or equipment shall serve either to reduce or restrict the liability of the applicant or any other transferor or transferee from any obligation of accountability imposed by the Federal Government by reason of the prior grant.

(Approved by the Office of Management and Budget under Control Number 0925-0424; expires November 30, 2001)

§ 52b.12 What are the minimum requirements of construction and equipment?

(a) *General.* In addition to being subject to other laws, regulations, executive orders, and policies referred to in § 52b.14, the standards set forth in this section have been determined by the Director to constitute minimum requirements of construction and equipment, including the expansion, remodeling, renovation, or alteration of existing buildings, and these standards, as may be amended, or any revisions or successors of these standards, shall apply to all projects for which federal assistance is requested under this part. The publications referenced in this section are hereby incorporated by reference and made a part of the regulations in this part.

(b) *Incorporation by reference.* The Director of the Federal Register approves the incorporations by reference in paragraph (c) of this section in accordance with 5 U.S.C. 552(a)(1) and 1 CFR part 51. Copies may also be obtained from the organizations at the addresses listed in paragraph (c) of this section. Copies may be inspected at the National Cancer Institute, Executive Plaza North, Room 539, 6130 Executive Boulevard, Rockville, MD 20852 (telephone 301-496-8534; not a toll-free number); the National Center for Research